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ABSTRACT

The document presents a study guide for students learning insurance protection and the various types of insurance businesses. The pupils' pamphlet is to be used in coordination with the teacher's guide. Case studies, worksheets, description of basic principles, and examples of policy forms are provided for the different types of insurance: (1) motor vehicle insurance, (2) fire insurance, (3) burglary insurance, (4) homeowners' and householders' insurance, and (5) life insurance. Suggestions on how to buy insurance and a glossary of insurance terms are presented. (EC)

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II C

BEST COPY AVAILABLE

COMM	STATED AGE EX. BIRTHDAY OF THE IFL. ASSURED	CLASS AND TABLE	SUM ASSURED (Subject to increase by bonus additions)	DUE DATES OF PREMIUMS
			350.	1st of each month

Has the Insured Person—

7. (a) Ever made a proposal for insurance against accident or illness? ..
   (b) If so, to what Company or Companies, and with what result? ..
   ...u insured in any Life Company? .. ..
   ...n what Company and for what amount? .. .. ..
   ...ad a proposal and/or policy declined, endorsed, cancelled ...n refused renewal by any Accident, Illness or Life Company ...n required to pay an increased premium? .. .. ..
   ...et with an accident causing personal injury or made a claim ... any Company for accident or illness? .. .. ..
   (b) If so, state the name of Company, date, amount, and nature of claim (if more than one claim has been made, particulars of each must be given) .. ..
11. (a) Ever suffered from impairment of hearing or sight? .. .. ..
   (b) Any physical defect or infirmity? .. ..
12. EVER had any of the following:—
   (a) Asthma, tuberculosis, or any lung disease?
   (b) High blood pressure, rheumatic fever or any heart or kidney disease?
   (c) Gastric or duodenal ulcer, or any liver or gall bladder disease?
   (d) Epilepsy, fainting attacks, fits or nervous disorder of any type?
   (e) Hernia, diabetes, cancer or tumour of any type?
   ...ion disc lesion or other back trouble?

THEFT OF SAFE LEADS TO 18 MONTHS' GAOL

A 20-year-old man was gaoled for 18 months after he admitted in Suva Court he stole an empty safe and portable typewriter, valued together at $300, from a church office at Lami.

FARMER DIES AFTER FALL

...ATION NEWS

COPRA AND SHED BURN

INSURANCE

2 PUPILS' PAMPHLET

ORDINARY ENDOWMENT

			Q
36			11.34
37			11.36
			11.37
			11.41
			11.42
50			11.53
52	43.55	22.68	11.54
53	43.65	22.70	11.55
54	43.75	22.73	11.56
55	43.90	22.83	11.60
56	44.06	22.91	11.67

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NATIONAL INSTITUTE OF EDUCATION

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II C

INSURANCE

The consumer will not only have to make wise decisions when buying goods and services. He will also try to protect his life and the things he owns. How can he do this? It is clearly impossible to lock up all his possessions in a safe place, a large steel vault or a protected cave, for instance. Likewise, he cannot stay at home every day in order to avoid the dangers of the sea, at his place of work, or the road traffic. The consumer wants to enjoy life, go fishing or hunting, participate in community life and also earn his living through work outside his home.

How then can he protect his property and his life? Life is full of risks. Often we read or hear about damage caused by hurricane, flood or fire, which causes losses of property despite early warning systems and fire brigades. Lives are lost at sea, through diseases, accidents at home, at work, or in road traffic. There is no way of avoiding these disasters in future. All that can be done is to BUY protection against these risks, i.e. buy a right for financial help if disaster occurs.

The most common type of financial protection is INSURANCE. There are special types of businesses, usually called INSURANCE COMPANIES, which deal with the risks which may occur in everyday life and offer their services to the consumer, the businessman, even governments. This unit of study deals with the main types of insurance businesses which are important to the consumer, and tells you what to do when buying insurance protection.

Case Study (I)

The day had been hot and humid and by the time Mr. Hassan left for home it had started raining heavily. As he was feeling very tired, he wanted to reach his home quickly and for this reason was driving a little faster than his usual rate of speed. There were many other cars on the road. All seemed to be in a great hurry, although the weather made it difficult to see clearly because of the fogging of the car windows.

All of a sudden the cars in front of him stopped. Mr. Hassan heard the screech of brakes and saw the flash of brake-lights. But it was too late. He bumped into the rear of the car in front of him with a great thud. The damage to both cars was estimated at $1,260.

Case Study (II)

Mrs. Raj had just lighted the primus and put a pot containing some cooking oil over it when her husband called out to her from the garage. While she was with him she forgot about the pot left over the fire.

After a while she smelt something burning and noticed black smoke coming out of the kitchen window. She realised what had happened and rushed to the kitchen. She could not enter it because of the smoke and heat. She yelled out for help. Her husband tried his best to put out the fire but the breeze which had started blowing made it very difficult. Soon the flames spread to the main house. Both husband and wife tried their utmost to save some of their belongings but could not save much. The fire burned fiercely and within a few minutes the house with almost all its contents was reduced to ashes. The estimated loss was about $7,000.

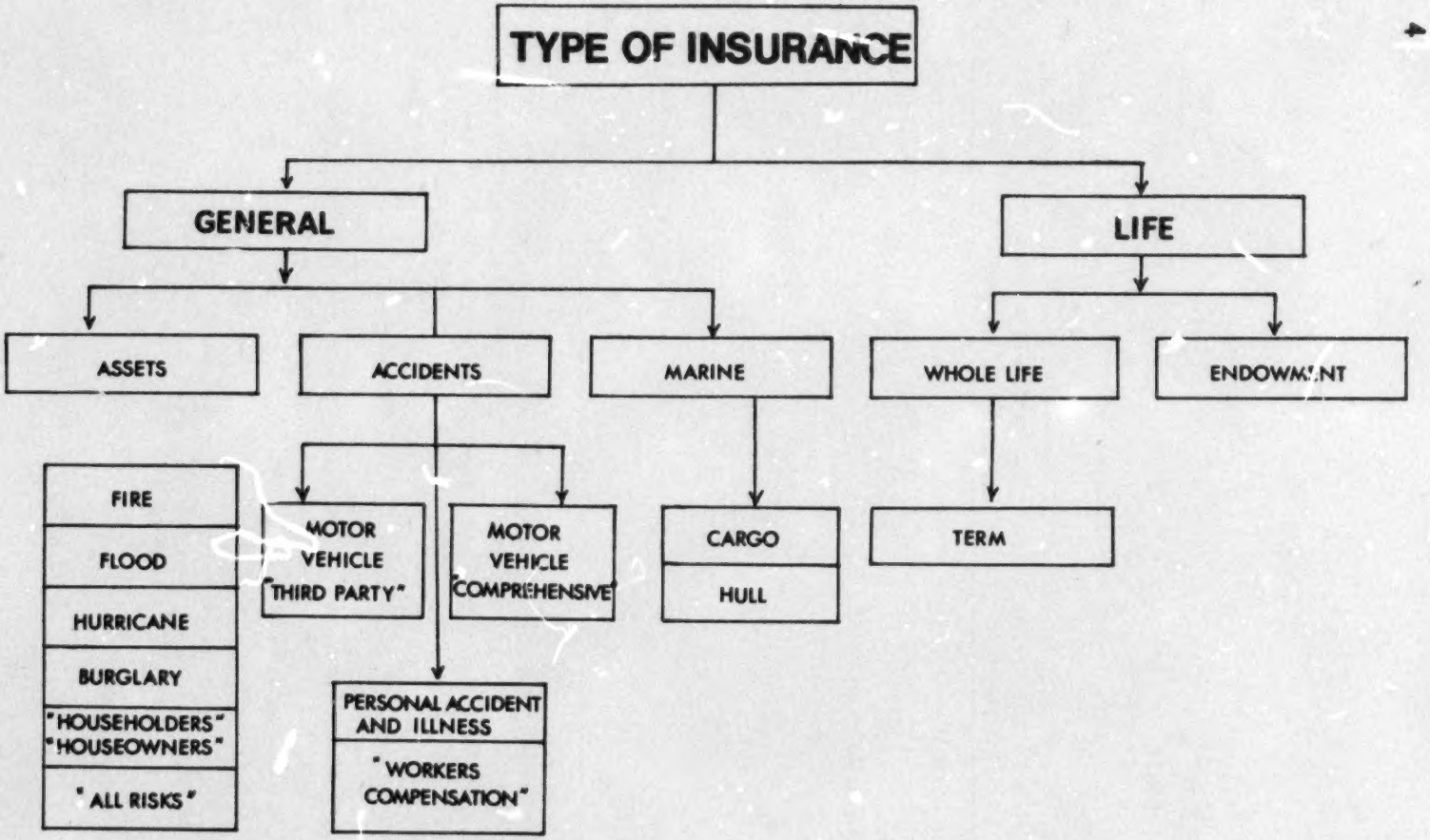
Case Study (III)

After finishing her household work Mrs. Brown went to a nearby store to buy some groceries. She met a close friend of hers and went to her home for a while. She returned after about three hours and was surprised to see the front door of her house ajar. On closer inspection, she found that someone had removed three louvre blades from one of the windows. She became frightened and rang the police. She also rang her husband who came rushing home. They found that the burglar, whoever he was, had left the house in a mess. Besides taking away an expensive camera, a radio and a cassette recorder, he had found the envelope containing $300 in cash which Mrs. Brown had kept under some clothes in one of the drawers of her dressing table. Their estimated loss was about $800.

Case Study (IV)

Mr. Jitendra had been employed by the General Construction Company Limited since 1970. One day while he and some other carpenters were busy fixing the rafters on a new building, he slipped and fell to the ground from a height of about 28 feet. He lost consciousness and was rushed to the hospital. It was found that he suffered serious chest and head injuries and one of his arms was fractured.

Three days after the accident he died, leaving a wife and four children. Unfortunately for them he had not been able to save any money up to his untimely death.


TYPE OF INSURANCE
GENERAL
LIFE
ASSETS
ACCIDENTS
MARINE
WHOLE LIFE
ENDOWMENT
FIRE
FLOOD
HURRICANE
BURGLARY
"HOUSEHOLDERS"
"HOUSEOWNERS"
"ALL RISKS"
MOTOR VEHICLE "THIRD PARTY"
MOTOR VEHICLE COMPREHENSIVE
PERSONAL ACCIDENT AND ILLNESS
"WORKERS COMPENSATION"
CARGO
HULL
TERM

WORKSHEET A

Obtain information regarding insurance businesses from insured persons, newspapers, telephone directory, radio advertisements, etc. and fill in the table below:

Name of the insurance business	Types of insurance	Nearest local office (branch, agency)

Many of these businesses use a specific motif in their documents and letterheads. Compile the motifs of the insurance businesses you know and draw or paste them on a separate sheet.

PRINCIPLE OF INSURANCE

Insurance is buying protection against loss or damage. It is a contract between the insurer (insurance company) and the insured person. In return for the premiums paid by the insured, the insurance company guarantees to pay him an agreed sum of money if he suffers any loss. The written document giving the details of this contract is the Policy.

The main principle underlying insurance is the sharing of economic losses. All those who are insured each pay a small premium, so that any one of them suffering a financial loss can be paid the value of his loss and thus avoid hardship. For example, all car-owners run the risk of loss through accident. If all of them pay a small sum each year into a fund, any member suffering a loss through accident within the year can draw a certain sum of money from it to repair or replace his vehicle. The loss is shared by all the members instead of by only the one person who had the accident.

The organisation that enables this to be done is called an insurance company and the contributions that members (the insured) pay are called premiums. After a premium is paid, the insurance company issues a policy. The policy is normally valid for 12 months. It comes to an end when the insured person fails to renew it after a year.

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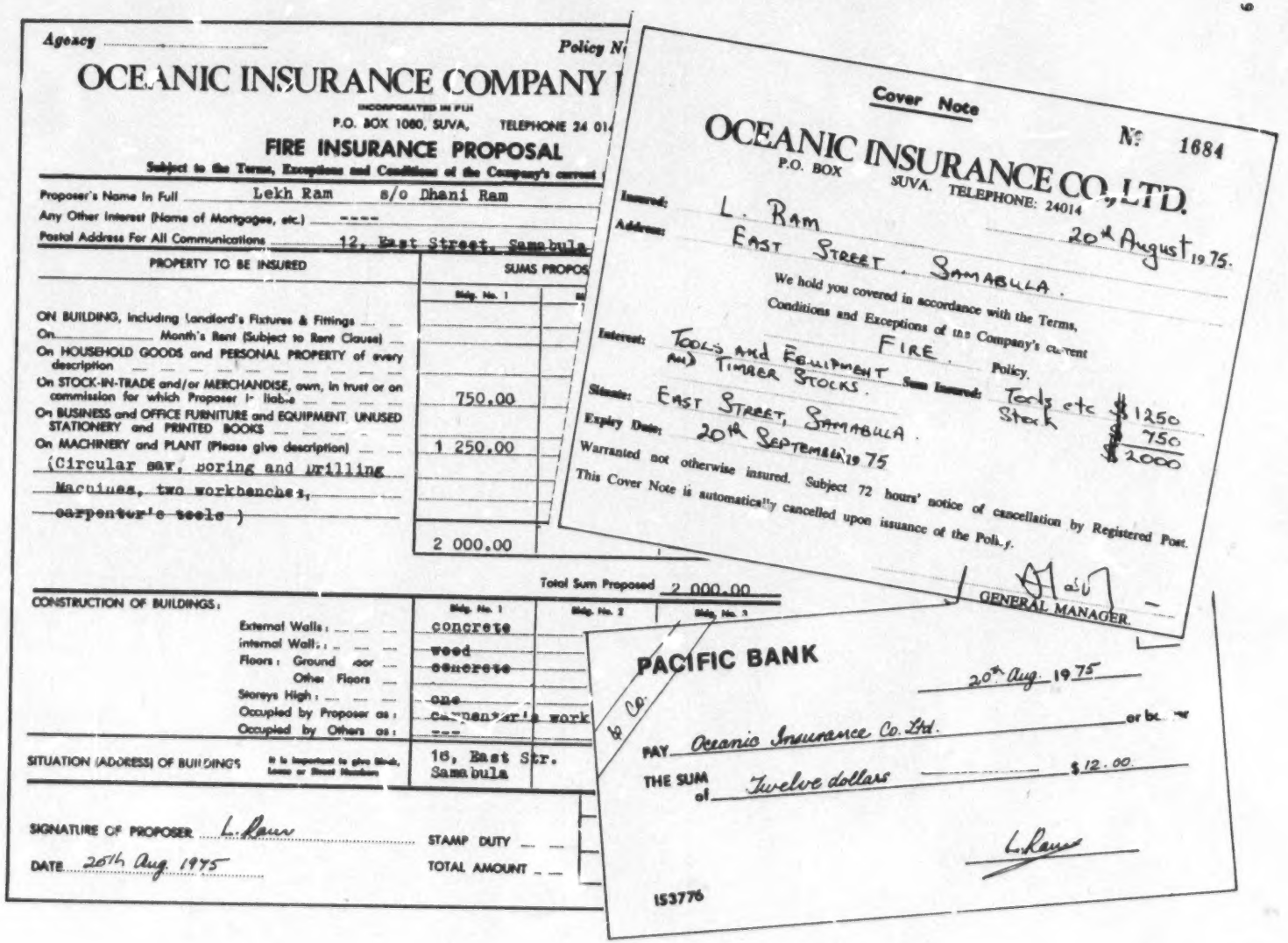
PRINCIPLE OF INSURANCE

WORKSHEET B

Nowadays many kinds of risks can be covered by insurance. In the table below, write FIVE items found in your home which can be insured against loss or damage, the type of risk involved, and the name of the policy.

Item	Risk	Policy
Example: Building	Fire	Fire policy
1.		
2.		
3.		
4.		
5.		



Agency .....

Policy No

OCEANIC INSURANCE COMPANY

INCORPORATED IN FIJI
P.O. BOX 1080, SUVA, TELEPHONE 24 01

FIRE INSURANCE PROPOSAL

Subject to the Terms, Exceptions and Conditions of the Company's current

Proposer's Name In Full: Lekh Ram s/o Dhani Ram

Any Other Interest (Name of Mortgagee, etc.): ----

Postal Address For All Communications: 12, East Street, Samabula

PROPERTY TO BE INSURED	SUMS PROPOS	
	Bldg. No. 1	Bldg. No. 2
ON BUILDING, including Landlord's Fixtures & Fittings		
On ..... Month's Rent (Subject to Rent Clause)		
On HOUSEHOLD GOODS and PERSONAL PROPERTY of every description		
On STOCK-IN-TRADE and/or MERCHANDISE, own, in trust or on commission for which Proposer is liable	750.00	
On BUSINESS and OFFICE FURNITURE and EQUIPMENT, UNUSED STATIONERY and PRINTED BOOKS		
On MACHINERY and PLANT (Please give description)	1 250.00	
(Circular saw, boring and drilling Machines, two workbenches, carpenter's tools)		
	2 000.00	

Total Sum Proposed 2 000.00

CONSTRUCTION OF BUILDINGS:	Bldg. No. 1	Bldg. No. 2	Bldg. No. 3
External Walls	concrete		
Internal Walls	wood		
Floors: Ground floor	concrete		
Other Floors			
Storeys High	one		
Occupied by Proposer as	carpenter's work		
Occupied by Others as	---		
SITUATION (ADDRESS) OF BUILDINGS (It is important to give Block, House or Street Numbers)	16, East Str. Samabula		

SIGNATURE OF PROPOSER: L. Ram

DATE: 20th Aug 1975

STAMP DUTY

TOTAL AMOUNT

Cover Note

No 1684

OCEANIC INSURANCE CO., LTD.

P.O. BOX SUVA. TELEPHONE: 24014

Insured: L. Ram

Address: EAST STREET, SAMABULA.

20th August 1975.

We hold you covered in accordance with the Terms, Conditions and Exceptions of the Company's current FIRE Policy.

Interest: TOOLS AND EQUIPMENT AND TIMBER STOCKS. Sum Insured: Tools etc $1250, Stock 750, $2000

Situate: EAST STREET, SAMABULA.

Expiry Date: 20th SEPTEMBER 1975

Warranted not otherwise insured. Subject 72 hours' notice of cancellation by Registered Post.

This Cover Note is automatically cancelled upon issuance of the Policy.

GENERAL MANAGER

PACIFIC BANK

20th Aug 1975

PAY Oceanic Insurance Co. Ltd. or bearer

THE SUM of Twelve dollars $12.00

L. Ram

153776

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OCEANIC INSURANCE COMPANY LIMITED

INCORPORATED IN FIJI

P.O. BOX SUVA.

FIRE POLICY

Whereas the Insured named in the Schedule has made to the OCEANIC INSURANCE COMPANY LTD. (hereinafter referred to as 'the Company') a written Proposal, which it is agreed, shall be the basis of the contract

The Company Agrees that if the property insured described in the said Schedule be destroyed or damaged by

(1) Fire
(2) Lightning;
(3) Explosion

at any time before 4 o'clock in the afternoon of the last day of the period of insurance named in the said Schedule the Company will pay to the Insured the value of the Property at the time of the happening of its destruction or the amount of such damage.

THE SCHEDULE

THE INSURED	Lekh Ram	TOTAL SUM INSURED $2000.00
POSTAL ADDRESS	12,East Street, Samabula.	PREMIUM 11.00
SITUATION OF PROPERTY INSURED	12, East Street, Samabula.	STAMP DUTY 1.00
PERIOD OF INSURANCE	FROM: twentieth day of August 19 75 TO: twentieth day of August 19 76 at four o'clock in the afternoon	TOTAL AMOUNT 12.00
PROPOSAL - DATE OF SIGNATURE	20th August, 1975.	
	THE PROPERTY INSURED	
ON	Stock in Trade	750.00
	Machinery (Circular Saw, boring and drilling machines), two workbenches, Carpenter's tools	1250.00

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OCEANIC INSURANCE COMPANY LIMITED

P.O. Box
SUVA.

Telephone No.

RENEWAL NOTICE

1 August 1976

Dear Madam/Sir,

The undermentioned policy of insurance expires on the date named and we shall be glad to receive your instructions in regard to the renewal of it.

POL. NO.	NATURE OF INSURANCE	SUM INSURED	PREMIUM	EXPIRY DATE
F 4711	Fire	$ 2000	$ 11	20 Aug 76

RENEWAL CERTIFICATE — FIRE DEPARTMENT

R № 3028

OCEANIC INSURANCE COMPANY LIMITED

THOMSON STREET P.O. BOX 1080, SUVA TELEPHONE 24 014

The Insured Mr. Lekh Ram

of 12, East Street, Samabula

having requested renewal of the Policy numbered as hereunder, it is renewed for the period stated.

INTEREST Stock in Trade, Machinery

SUM INSURED $ 2000

INCEPTION 20 Aug 1976

EXPIRY 20 Aug 1977

POLICY NO: F 4711

PREMIUM $ 11:00

STAMP DUTY $ 1:00

TOTAL AMOUNT $ 12:00

SPECIMEN

GENERAL MANAGER.

WORKSHEET C

1) Fill in the table below by putting the things which are listed below in the order in which they are usually done when buying insurance protection:

- issue of the Insurance Policy
- payment of premium
- discussion of the best type of insurance required
- issue of renewal notice
- issue of the cover note
- filling in the proposal form
- acceptance of the proposal form and determination of premium

2) Show whether the item is the responsibility of the insurance company or the person buying the insurance by placing a tick in the correct column.

No.	Item	Ins. Co.	Buyer

Motor Vehicle Insurance

Motor cars, lorries, buses, and motor bicycles have become an essential part of our living. Operating a motor vehicle, however, involves risks of causing accidents. These risks have become greater with growing traffic on our roads. In order to protect owners of motor vehicles against financial loss and hardship two types of motor vehicle insurance are offered by the insurance companies:

1. THIRD PARTY INSURANCE

This type of insurance is compulsory by law for all motor vehicles. One cannot register a vehicle (i.e. pay the "wheel tax") until a THIRD PARTY insurance premium has been paid for that period. The amount of the premium is fixed by government. Page 16 shows the schedule of motor vehicle insurance third party premiums which were in force in Fiji in 1975, charged by all companies.

The benefit of THIRD PARTY insurance is that if the driver causes an accident and due to his negligence kills or injures another person or other persons, the insurance company will pay the damages that may be awarded against him by the court. It will also pay the "legal costs". Third party insurance guarantees the injured person and his dependants financial help even when the driver responsible for the accident is without money.

2. MOTOR-VEHICLE INSURANCE

Owners of motor vehicles can insure them against theft, damage and liability arising out of an accident. This insurance is not compulsory. In fact, many older cars are not covered by this type of insurance. The amount of premium payable depends mainly on the value of the car. However, since the protection offered by the insurance companies differs from one company to another, the premiums for MOTOR-VEHICLE insurance differ. It is therefore important to check all conditions of the insurance policy before insuring a vehicle.

If there is an accident or theft the company will either replace, repair or pay cash for the loss of or damage to the vehicle. However, most policies nowadays include a clause whereby the owner has to pay the first $100 (or $200, $300, depending on the policy) for each claim made. This is called EXCESS or FRANCHISE.

Where no loss is suffered by the insured, the insurance company does not pay out anything. In many cases, however, it will offer a BONUS in the form of a reduced insurance premium for the following year where no claim has been made against it for the preceding twelve months. This NO-CLAIM-BONUS is meant as a reward for the careful driver.

FIJI
MOTOR VEHICLES (THIRD PARTY INSURANCE) ORDINANCE
MOTOR VEHICLES (THIRD PARTY INSURANCE) REGULATIONS

RENEWAL OF Third-Party Policy

OCEANIC INSURANCE COMPANY LIMITED

Policy No. 45/2134 (Date) 16th Feb., 1973.

1. DESCRIPTION OF MOTOR VEHICLE

Make Toyota Corona Body Type Sedan

Engine No. 2R-150636 Chassis No. RT80-042228 Registered No. AZ 123

2. NAME AND ADDRESS OF OWNER* Nemani Dero,
P.O. Box 1234, Suva.

3. PERIOD OF INSURANCE 12 months To commence on 17-2-73 and to terminate at 4 p.m. on 17-2-74

4. PERSONS OR CLASSES OF PERSONS ENTITLED TO DRIVE AND INSURED UNDER THIS POLICY.—

(a) The Owner, and

(b) Any person who is driving on the Owner's order or with his permission:

Provided that the person driving holds a licence permitting him to drive a motor vehicle for every purpose for which the use of the above motor vehicle is limited under paragraph 5 below or at any time within the period of thirty days immediately prior to the time of driving has held such a licence and is not disqualified for holding or obtaining such a licence.

5. LIMITATIONS AS TO USE.—Premium has been paid only for the use of the motor vehicle for the purposes set out in item No. 1 of the schedule on back hereof, provided however that a premium paid for the use of the motor vehicle for the purposes set out in item No. 2, 3, 4, 5, or 10 of the schedule shall also cover use of the motor vehicle for social, domestic or pleasure purposes, or for the Owner's business within the limits set out in item No. 1 (b) of the schedule, or, in the case of a hire car or a rental car, for the hirer's business. The motor vehicle must not be used for any other purpose unless the policy is endorsed and extra premium (if any) paid.

6. AMOUNT OF PREMIUM PAID FOR ISSUE OF POLICY.— $ 8.00

WHEREAS the Owner named herein has made a proposal and paid a premium to the above-named Insurer for the issue of a Third Party Policy to comply with the Motor Vehicles (Third Party Insurance) Ordinance In relation to the motor vehicle described herein the Insurer agrees subject to the terms limitations exclusions and conditions contained herein or endorsed hereon and to the provisions of the said Ordinance to insure the persons or classes of persons insured under this policy as described under paragraph 4 above against all liability incurred by such persons or classes of persons in respect of the death of or bodily injury to any person caused by or arising out of the use such motor vehicle on a road in Fiji during the period aforesaid or during any period for which the Insurer may renew this insurance.

EXCLUSIONS.

(1) The Insurer shall not be liable in respect of any claims by any person who at the time of the accident was
   (a) a relative (as defined in Section 6 (1) (iii) of the said Ordinance) of, or a person living as a member of his family with the person using the vehicle at the time of the occurrence in respect of which such claim arises.
   (b) driving or being carried in or upon or entering or getting on to or alighting from the said motor vehicle except in so far as the indemnity granted hereby must apply by reason of Sub-section (1) of Section 6 of the Ordinance when the liability of the Insurer shall be limited to the minimum amounts referred to in the Proviso to the said Sub-section of the said Ordinance.

(2) This Policy does not cover (a) any liability which arises solely by virtue of the provisions of the Workmen's Compensation Ordinance or (b) any contractual liability.

(3) This Policy does not cover any liability in respect of any occurrence which happens when the motor vehicle is being used for any purpose other than those for which premium has been paid as stated in paragraph 5 above.

For OCEANIC INSURANCE COMPANY LIMITED

MOTOR VEHICLES (THIRD PARTY) CLASSIFICATION

SCHEDULE

Item No.	CLASS OF VEHICLE	ANNUAL PREMIUM
1.	**PRIVATE CAR.** A motor car which is used solely (a) For social, domestic or pleasure purposes, or (b) By the owner, being an individual, for his own carriage in relation to his profession, business or calling, provided that profession, business or calling is not that of a commercial traveller or travelling salesman, or an insurance agent, inspector or assessor, or an indent or manufacturer's agent.	$ 8.00
2.	**BUSINESS CAR.** A motor car used for business purposes and not included in classes 1, 3, 4, 5, 6, 9 and 10. For the purposes of this definition the performance by Government or a local authority of any of its functions shall be deemed to be the carrying on of a business.	$ 8.00
3.	**GOODS VEHICLE.** A motor vehicle which is constructed or adapted or primarily used for the conveyance of goods or merchandise of any description in connection with trade, business or agriculture. For the purposes of this definition the performance by Government or a local authority of any of its functions shall be deemed to be the carrying on of a business.	
	(a) Light goods vehicle with a carrying capacity of up to 2 tons.	$20.00
	(b) Light goods vehicle as in (a) authorised under regulation 54 of the Traffic Regulations, 1967, to carry excess passengers.	see note 1 below
	(c) Heavy goods vehicle with a carrying capacity of over 2 tons.	$20.00
	(d) Heavy goods vehicle as in (c) authorised under regulation 54 of the Traffic Regulations, 1967, to carry excess passengers.	see note 1 below
4.	**TAXI** (being a public service vehicle licensed and used for carrying not more than 6 passengers for hire or reward) or a HIRE CAR licensed as such and used for letting on hire with a driver.	$30.00
5.	**OMNIBUS.** A motor vehicle licensed and used for carrying more than 6 passengers for hire or reward.	
	(a) Vehicle having a seating capacity of not more than 11 passengers.	$25.00
	(b) Vehicle having a seating capacity of more than 11 passengers.	$60.00
6.	**FIRE BRIGADE VEHICLE, AMBULANCE, POLICE VEHICLE AND PRISON VEHICLE** (including Police and Fire Brigade motor cycles)	$ 7.00
7.	**MOTOR CYCLE.** A motor vehicle designed to travel on not more than 3 wheels and the net weight of which does not exceed 5 hundredweight, for whatever purposes used, other than as Police and Fire Brigade motor cycles.	$ 6.00
8.	**TRAILER.** For whatever purposes used.	$ 2.00
9.	**MOTOR TRADE VEHICLES —**	
	(a) A motor vehicle or a motor cycle to which plates in respect of a dealer's general licence issued under section 20 of the Traffic Ordinance are affixed and which is used in compliance with the regulations made under the said Ordinance in respect of such a licence.	$ 5.00
	(b) A motor breakdown ambulance.	$ 7.00
10.	**RENTAL CAR** licenced as such and used for letting on hire without a driver.	$20.00
11.	**MISCELLANEOUS VEHICLES NOT OTHERWISE CLASSIFIED** (e.g. Tractors Hearses, Road Rollers, Mobile Cranes, Road Graders, etc.)	$ 4.00

OCEANIC INSURANCE CO., LTD.

MOTOR VEHICLE POLICY

Whereas the Insured named in the Schedule herein (hereinafter called "the Insured") has made or caused to be made to the Company a written Proposal and Declaration dated as stated in the said Schedule which it is hereby agreed shall together with all Statements made in writing by the Insured or anyone acting on behalf of the Insured for the purposes of this Policy be the basis of this contract and be considered as incorporated herein and the particulars set forth in such Proposal Declaration and Statements shall in all cases be deemed to be furnished by or on behalf of the Insured and WHEREAS the Insured has paid or agreed to pay to the Company the sum stated in the said Schedule as Premium for the Insurance hereinafter contained for the period stated in the said Schedule.

The Company agrees that the Company will as regards any motor vehicle described in the said Schedule (hereinafter called "the Motor Vehicle") whilst being used for the purposes described in the said Schedule and subject to the terms conditions and exclusions contained herein or endorsed hereon or attached hereto provide indemnity against loss damage or liability as hereinafter mentioned arising out of accident damage or theft actually occurring during the period of insurance stated in the said Schedule, that is to say—

SECTION 1. Loss or Damage

The Company will indemnify the Insured against—

(a) Loss of or damage to the Motor Vehicle and/or whilst therein or thereon its accessories (including built-in radio receiver) tools and spare parts.

Provided that the Company may at its option as far as circumstances permit and in reasonably sufficient manner repair reinstate or replace the Motor Vehicle or parts thereof or its accessories (including built-in radio receiver) tools or spare parts or in respect of all claims whatsoever and howsoever arising out of any one event the subject of indemnity under this Section pay the amount of the loss or damage not exceeding the market value of the Motor Vehicle at the time of such loss or damage but in no such event shall the Company be liable for a greater sum than the amount insured as stated in the said Schedule or if the Policy shall have been renewed the amount stated on the current renewal certificate issued by the Company in respect of this Policy.

(b) The reasonable cost of protection and removal of the Motor Vehicle to the nearest repairer or place of safety in consequence of loss or damage the subject of indemnity under Section 1 (a).

SECTION 2. Legal Liability (Personal and Property).

The Company will indemnify the Insured against liability at law by way of damages in respect of—

(a) Death of or bodily injury to persons other than—
(1) any relative or friend of the Insured ordinarily residing with the Insured, or with whom the Insured ordinarily resides.
(2) any person who at the time of the accident was engaged in and upon the service of the Insured;
(3) any person driving or entering or alighting from or about to enter or to alight from or being conveyed by the Motor Vehicle.

(b) Damage to property, other than—
(1) property belonging to any relative or friend of the Insured ordinarily residing with the Insured, or with whom the Insured ordinarily resides.

(3) the aggregate liability of the Company under Sections 2(a) and 2(b) shall be limited to the amount stated in the said Schedule in respect of all claims whatsoever and howsoever arising out of any one accident or series of accidents arising out of the one event.

Provided always that—

such death or bodily injury or damage to property is caused—
by the use of the Motor Vehicle;

COVER NOTE

OCEANIC INSURANCE COMPANY LIMITED

№ 41121

21 April 197.

To Mr. Nemani Dere, Qania

Subject to the terms and conditions of the Company's normal Policy issued in Fiji you are hereby held covered from 21 April 197. to 4 p.m. on 20 April 197.

(Unless notice of Cancellation be given in the meantime)

Covering Toyota Corolla Sedan Registr. Nr. I 567 only

Situation Qania, Fiji

Amount $ 1.500.00

Subject to completion of satisfactory Proposal, acceptance by the Company and issue of the Policy which replaces the Cover Note

OCEANIC INSURANCE COMPANY LTD.

per

FTH-J1567/74

WORKSHEET D

1) The schedule of THIRD PARTY motor vehicle insurance premiums (page 16) shows that different amounts are payable for difference types ("classes") of vehicles. Why do you think this is done?

2) Solomoni, the owner of a private car which is covered by THIRD PARTY insurance only, collides with another motor vehicle. The damage to his car is estimated at $500, while the other vehicle is damaged to the extent of $700. Tevita, the driver of the other car was injured and had to be admitted to hospital. His medical expenses amounted to $200.

In court Solomoni was convicted of dangerous driving.

(a) Who pays for the damage to his car?

(b) Who pays for the damage to Tevita's car?

(c) Who pays for Tevita's injuries?

(d) What would be the difference if

(i) Solomoni, (ii) Tevita

had a motor vehicle insurance?

WORKSHEET D (continued)

3) In the table below, list the main differences between THIRD PARTY and MOTOR VEHICLE INSURANCE, using the fact sheet on page 13 for reference:

Third party	Motor vehicle

4) Should the THIRD PARTY insurance be compulsory? Give reasons for your answer:

YES / NO

Fire Insurance

A fire insurance policy is taken out to provide protection against loss or damage of business premises and private homes through fire and lightning. It is, like motor vehicle insurance, an INDEMNITY insurance, i.e. it will make good any loss sustained.

The amount of premium depends on a number of facts, such as the value of the building, its age and its surroundings, the building materials used, the use of the building, and whether fire alarm, water, and other fire fighting equipment are available in the area.

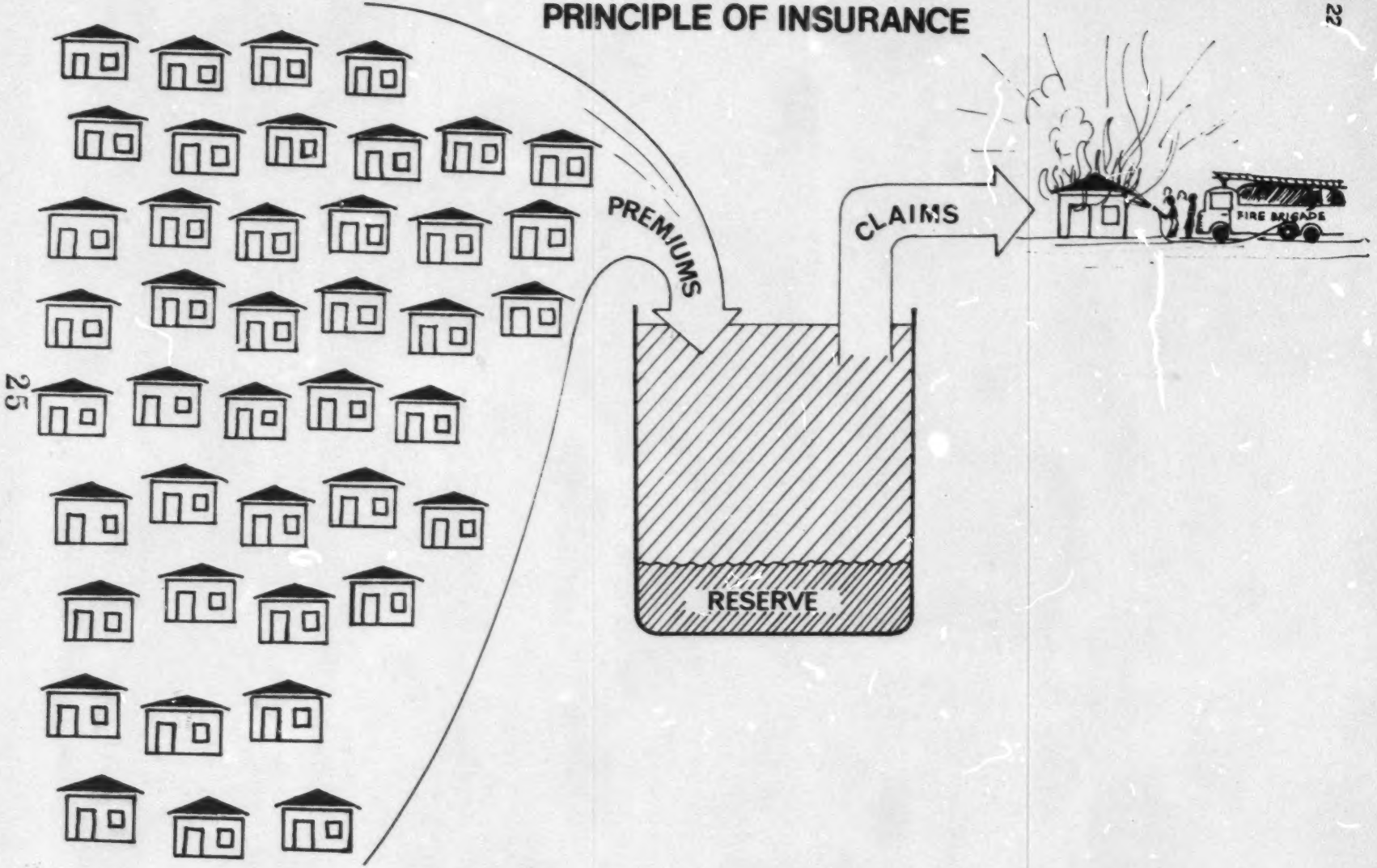
After a fire, Insurance companies usually get the services of a specialist, the FIRE LOSS ASSESSOR, to work out the amount of loss to the property.

The principle of INDEMNITY is to place the insured person in the same position after a loss as he enjoyed immediately before the loss under the conditions of the insurance policy. It would be wrong to allow the insured person to make a profit from a loss, for this might tempt him to cause the event against which he is insured. This would be immoral and against the interests of other policy holders.

Care should be taken to insure property at its correct value. If it is insured for more than it is worth (OVERINSURANCE) higher premiums than actually necessary would have to be paid without extra benefit to the insured, as the principle of INDEMNITY states that only the loss suffered will be paid, and nothing extra.

If the property is insured for less than it is worth (UNDERINSURANCE) the insurer pays a lower premium but will not be paid the full amount of his loss. Insurance policies normally include an AVERAGE CLAUSE which allows the insurance company to pay only a proportion of the loss or partial loss.

PRINCIPLE OF INSURANCE



THE CONDITIONS REFERRED TO IN THIS POLICY

MISDESCRIPTION.

1. This Policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.

OTHER INSURANCE

The Insured shall give notice in writing to the Company of any insurance or insurances already effected, or which may subsequently be effected, covering any of the property hereby insured, and unless such notice be given and the particulars of such Insurance or Insurances be stated in or endorsed on this Policy by or on behalf of the Company before the occurrence of any loss or damage, all benefit under this Policy shall be forfeited.

EXCLUSIONS.

2. (i) This Policy does not cover:—

Goods held in trust or on commission, money, securities, stamps, documents, manuscripts, business books, patterns, models, moulds, plans, designs, explosives, unless specially mentioned as insured by this Policy.

Destruction of or damage to property which, at the time of the happening of such destruction or damage, is insured by, or would, but for the existence of this Policy, be insured by any Marine Policy or Policies, except in respect of any excess beyond the amount which would have been payable under the Marine Policy or Policies had this Insurance not been effected.

Any curiosity or work of art for an amount exceeding $80, unless otherwise expressly stated in the Policy.

Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.

(ii) This Policy does not cover loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this Condition 4 (ii) only combustion shall include any self-sustaining process of nuclear fission.

CLAIMS.

3. On the happening of any destruction or damage the Insured shall forthwith give notice thereof in writing to the Company and shall within 30 days after such destruction or damage, or such further time as the Company may in writing allow, at his own expense deliver to the Company a claim in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property destroyed or damaged and of the amount of destruction or damage thereto respectively having regard to their value at the time of the destruction or damage together with details of any other Insurances on any property hereby insured. The insured shall also give to the Company all such proofs and information with respect to the claim as may reasonably be required together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under the Policy shall be payable unless the terms of this condition have been complied with.

FRAUD.

4. If the claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any destruction or damage be occasioned by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.

CONTRIBUTION AND AVERAGE.

5. If at the time of any destruction or damage to any property hereby insured, there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons, covering any of the property, the Company shall not be liable to pay or contribute more than its ratable proportion of such destruction or damage.

In all cases where any other subsisting insurance or insurances, effected by the Insured or by any other person or persons, covering any of the property hereby insured, either exclusively or together with any other property in and subject to the same risk only, shall be subject to average, the insurance on such property under this Policy shall be subject to average in like manner.

Where an insurance is declared to be subject to average, the following Clause shall apply:—

If the property hereby insured shall, at the breaking out of any fire, or at the commencement of any destruction of or damage to such property by any other peril hereby insured against, be collectively of greater value than the sum insured thereon, then the Insured shall be considered as being his own Insurer for the difference, and shall bear a ratable proportion of the loss accordingly. Every item, if more than one, of the Policy shall be separately subject to this Condition.

WORKSHEET E

1) The table below lists a number of cases where losses were caused by fire. Find the amount to be paid by the insurance company, subject to the average clause, and fill in the last column of the table accordingly.

No.	Value of building	Amount Ins.	Extent of fire damage	Expected amount
1.	$ 3,500	$ 3,500	$ 1,500	
2.	$ 4,500	$ 4,800	$ 2,300	
3.	$ 12,000	$ 10,000	$ 2,000	
4.	$ 15,000	$ 12,000	NIL	
5.	$ 20,000	$ 15,000	$ 10,000	
6.	$ 28,000	$ 20,000	totally destroyed	

2) Answer the following:

(a) Which of the buildings were (i) overinsured, (ii) underinsured?

(b) In what way could the facts listed below affect the fire insurance premium?

A garage has been added to the house;

area has come within city boundary;

oil storage tanks built nearby;

bushland surrounding house cleared.

3) Should fire insurance be made compulsory for all buildings? Give reasons for your answer below:

YES / NO

WORKSHEET F

The diagram shown on the preceding page illustrates the principle of insurance, i.e. that the amount of claims to be paid by the insurance company must be roughly equal to the premium income. Insurance companies therefore rely heavily on statistics (either their own or those of the statistical bureaus) which give them data about the number of car accidents, fires in private homes, businesses or public buildings, thefts, burglaries, etc. which have occurred in the past and the amount of damage caused.

From this information the insurance companies can make an <u>estimate</u> on the damages which are likely to occur in the following years and the claims they will have to pay. These estimates are the basis for their premium calculation.

The exercises below illustrate this principle:

1) Insurance Company A has sold 1000 fire policies to owners of private homes. From statistical data of the preceding years it is likely that there will be one fire among 250 houses, with an average damage of $6,000 in the next year.

   (a) Find the annual fire insurance premium per policy (we assume that all houses insured are of the same value).

   (b) The department dealing with fire cases of the insurance company has about $4,000 business expenses (office rent, salaries, telephone, stationery, etc.) per year. These expenses must also be covered by the premium income. What premium would each householder have to pay in this case?

   (c) How would the premium be affected if the average damage caused by each fire is estimated to be $8,000 due to rising prices of new buildings, household effects, etc.?

   (d) How would the future premium be affected by better water supply in residential areas, more modern equipment of the fire brigade, installation of more telephones in residential areas, setting up of police call-boxes, use of more electrical cookers instead of kerosene stoves? Give reasons for your answer.

2) We have assumed that all the buildings insured against fire are of the same value. This, of course, is not realistic. Houses differ in size, location, quality, and the insurance company normally considers these differences when determining the premium.

We now assume that the 1000 houses insured are of different values, as shown in the table below, the average damage still being $6,000 per fire as in the previous example.

No. of houses	Value per house	Suggested yearly premium per house
250	$ 4,000	
250	$ 6,000	
400	$ 8,000	
100	$ 10,000	

(a) Will the yearly premium still be the same as in the first case? Discuss ways of working out the premium for each of the four classes of houses shown in the table above.

(b) Apart from the value of houses, there are other facts which could be considered by insurance companies when determining premiums for fire insurance. Some of these are listed below. Indicate whether these additional facts are likely to increase or decrease the fire risk by placing a (+) or (-) in the second column. Give reasons for your answers.

Additional facts	Change of fire risk
House used as a store for trading goods; including kerosene,	
" entirely made of timber,	
" includes garage used for welding and repair work,	
" outside city boundaries covered by fire brigade,	
" where only electric power is used,	
" was burnt down five years ago, rebuilt later,	

(continued)

WORKSHEET F (continued)

Additional facts	Change of fire risk
House entirely built of concrete and brick material, " within approach to the airport, " next to factory, " includes open fireplace.	

$5800 jewel theft
THIEVES BROKE into the shop of Kohinoor Jewellers in Victoria Parade, Suva, early yesterday and stole goods valued at $5874.
These included gas lighters, jewellery and wrist watches.
Thieves gained entry to the shop by breaking the rear door.
Ship theft earns gaol
The chief mate and an engineer in the Rabi Holdings ship Nai Kasaun were gaoled for six months each after Suva Court found them guilty of stealing three bags of rice from the ship in October last year.
EMPEROR SHOP BURGLED TWICE
Thieves who broke into the Emperor Gold Mine store at Tavua twice in three days, once through the wall and once through the front door, escaped with more than $500 worth of goods.
A police spokesman said thieves cut through a wall into the store on the night of November 29 and took cigarettes worth $436.
On the night of November 30 someone forced the front door of the store and stole six spades, seven caneknives and three digging forks.
IN THE COURTS
Three gaoled for robbery
Three unemployed men stole more than $4500 worth of tools and fittings so they could get money to buy food, Suva Court heard.
Thieves rob two homes
Police are investigating the theft of goods and cash valued at $1712 from a Lami home.
Thieves broke into the house of Mr August... removing...
Laundry robbed
Almost $500 worth of clothing was stolen from a laundry in Toorak Road, Suva, on Friday night.
Police said the thieves gained entry to the... Ram...

Adapted from FIJI SUN and FIJI TIMES article

Burglary Insurance

This type of insurance is mainly taken out by businesses. Burglary insurance is designed to give protection against loss or damage to property caused by theft. It covers losses caused by people breaking into premises ("forcible and violent entry") or by people hiding on the premises and stealing later. The fact of "forcible entry" must be confirmed by police investigation. No compensation is paid for the loss if one forgets to lock the door and thieves later walk away with valuable goods. The insurance normally does not cover theft by employees.

Again the amount of premium that has to be paid depends on a number of things, such as the value of items insured, the type of goods (burglars are more likely to steal watches, cameras, transistors, etc. than furniture), the location of premises (burglaries are more common in urban than in rural areas), and the degree of security (special locks, window bars) of the premises. The principle of INDEMNITY applies as in any general insurance.

Cash, banknotes, cheques and other valuable documents may also be insured against burglary, if they are kept in a secure place (safe, strongroom, etc.) and/or an extra premium is paid.

Shops and other businesses are granted a reduced premium for installation of special burglar alarms, steel shutters, etc.

An insurance company may demand additional protection of premises (steel doors, burglar alarm, etc.) or refuse to insure premises if they are broken into regularly.

P. O. Box 111A,

Labasa.

24th August, 1974.

The Manager,
The Oceanic Insurance Company Ltd.,
SUVA.

Dear Sir,

I wish to have my new 'Liquor Shop' insured against burglary and house-breaking. It is made of concrete and corrugated iron and is situated about 27 miles away from Labasa on the Nabouwalu Road. It is a residential shop and is 30 feet by 20 feet.

I have not taken out any insurance policy in the past nor have I suffered any loss by burglary or house-breaking in the past 20 years I have lived here.

Normally I keep stocks of liquor, beer and cigars to the value of $4,000. I have employed a reliable night-watchman and two inside lights burn throughout the night. The doors and windows are securely locked after the business hours. All the windows have inch-thick iron bars fitted vertically at 3-inch intervals to prevent forced entry through them.

I would like to insure the shop for the amount of $3,000. Please let me have details of the burglary insurance offered by your company.

Yours faithfully,

Sami

R. Sami.

THE OCEANIC INSURANCE COMPANY LIMITED

BURGLARY POLICY

BUSINESS PREMISES

Whereas the Insured carrying on the Business described in the Schedule hereto and no other for the purposes of this insurance by a Proposal and Declaration dated as stated herein which shall be deemed the basis of this contract and be considered as incorporated herein has applied to OCEANIC INSURANCE CO. LIMITED hereinafter called the Company for the insurance hereinafter expressed.

In consideration of the payment of the Premium for or on account of such insurance—

THE COMPANY AGREES THAT if at any time during the period of insurance stated herein any of the property insured described in the said Schedule be lost or damaged as the result of

(a) THEFT consequent upon actual forcible and violent entry upon the said premises or any attempt thereat

(b) THEFT or any attempt thereat by a person feloniously concealed on the said premises

the Company will pay to the Insured the value (as at the time of the loss) of the property lost or the amount of the damage or at its option reinstate or replace such property.

PROVIDED THAT during any one period of insurance the liability of the Company shall in no case exceed in respect of each item of the property insured described in the said Schedule the sum insured thereon or in respect of the whole the total sum insured.

THE COMPANY FURTHER AGREES THAT in the event of

(a) DAMAGE to the Premises specified in the Schedule hereto due to THEFT the Company will—

(i) pay for or at its option repair or make good the damage

(ii) indemnify The Insured in respect of the cost of temporary protection reasonably necessary for the safety and protection of the property pending repair of the damage provided that the total liability of the Company shall be limited to the sum of $100.

(b) THEFT as aforesaid from the Premises specified of Cash, Notes, Negotiable Cheques, Postal Notes, Post Office Money Orders, Negotiable Securities and/or Stamps the Company will pay to the Insured the amount of such loss not exceeding in total the sum of $50.

EXCLUSIONS

This Policy does not cover

(a) (i) Cash, Notes, Negotiable Cheques, Postal Notes, Post Office Money Orders, Negotiable Securities and/or Stamps except as otherwise provided for in this Policy.

(ii) Documents, Manuscripts, Business Books, Patterns, Models, Moulds, Plans, Designs unless specially mentioned as insured by this policy.

(b) loss or damage due to theft or any attempt thereat committed by—

(i) any of the Insured's family.

(ii) any person or persons whilst lawfully on the premises.

(c) loss or damage occasioned by or consequent upon fire.

(d) breakage of Plate Glass.

(e) loss or damage which at the time of the happening of such loss or damage is insured by, or would, but for the existence of this Policy, be insured by any other Policy, other than a Burglary Policy.

(f) loss or damage arising during (unless it be proved by the Insured that such loss or damage was not occasioned thereby) or in consequence of

(i) Earthquake.

(ii) Riot.

(g) any consequence of War, Invasion, Act of Foreign Enemy, Hostilities (whether War be declared or not), Civil War.

(h) (i) loss or destruction of or damage to any property by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

(ii) loss destruction or damage directly or indirectly caused by or contributed to by or arising from nuclear weapons material.

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BURGLARY POLICY

BUSINESS PREMISES

POLICY No.

Insured:	PREMIUM
	Stamp Duty)

Period of Insurance:

From the 19 to 4 p.m. on the 19

SCHEDULE

THE PREMISES—

Situation:

Occupied by:

As:

THE PROPERTY INSURED:	Sum Insured
(a) On Stock-in-Trade of a ..... including Merchandise held in Trust or on Commission for which the Insured is legally liable (but not including Tobacco, Cigars and/or Cigarettes)	
(b) On Tobacco, Cigars and/or Cigarettes the Insured's own or held in Trust or on Commission for which the Insured is legally liable	
(c) On Tools and Utensils of Trade and/or Movable Plant (excluding Mechanical Gaming Devices Office Machines and Equipment used in the Insured's business)	
(d) On Office Machines and Equipment used in the Insured's business	
(e) On Furniture, Fixtures and Fittings and/or Fixed Machinery used in the Insured's business	
(f) On Additional Damage caused to the premises specified herein or property contained therein, not otherwise insured under (a), (b), (c),(d) or (e) of this schedule	
(g) On	
TOTAL SUM INSURED	

Date of Proposal and Declaration 19

Policy Signed at

on the 19

Examined

☞ Please read the Conditions and examine the Policy, and, if incorrect, return immediately for alteration.

FORM NO. 126

EXAMPLES OF PREMIUM RATES FOR FIRE AND BURGLARY INSURANCE*

1. FIRE

Sum insured $ 4,000.00	Yearly premium: In towns WITH services of fire brigade — concrete building	In towns WITH services of fire brigade — wooden building	In towns WITHOUT services of fire brigade — concrete building	In towns WITHOUT services of fire brigade — wooden building
Carpenter's workshop; materials and equipment	$ 22.00	$ 40.00	$ 33.00	$ 60.00
Private household, household goods and personal items.	$ 5.00	$ 16.00	$ 7.50	$ 24.00

2. BURGLARY

Type of goods insured	Sum insured	Yearly premium
Groceries, store equipment	$ 2,000.00	$ 60.00
Cigarettes, liquor	$ 2,000.00	$ 340.00
Watches, cameras, radios, etc.	$ 2,000.00	$ 1,600.00

DISCOUNTS (spec. reduction) on PREMIUM for

1) Installed burglar alarm 33%
2) Metal doors, steel rolling shutters 10%
3) Iron bars on windows 5%

* These rates are examples only. Rates of insurance companies differ slightly depending on the conditions of the policy.

Houseowners' and Householders' Insurance

This type of insurance is normally taken out for private homes and flats. It covers the value of the premises AND what is kept in them, such as furniture, clothing, jewellery and other things belonging to the insured. The insurance protects from losses or damage caused by fire, storm, burglary, broken water pipes, and similar events. In fact the HOUSEHOLDERS' AND HOUSEOWNERS' INSURANCE is a combination of a number of insurances, such as fire insurance, burglary insurance and others put together into one policy. The term "comprehensive" insurance is sometimes used, although it is misleading since the policy lists some exceptions from insurance cover. This insurance again is based on the principle of INDEMNITY.

The amount of premium depends on the value of items insured and again on a number of other factors, such as the type of building, location, etc.

The details of the insurance are given in the policy, and it is very important for the insured to READ and UNDERSTAND the small print in the insurance contract. It is recommended to go through the policy carefully as soon as it is received and obtain explanations on those points which are not understood fully. The insurance salesman or the office of the insurance company will offer their assistance.

The following pages show samples of HOUSEOWNERS' AND HOUSEHOLDERS' policies. Go through the documents carefully and attempt to answer questions on worksheet G afterwards. Difficult words used in the documents are explained in the glossary of this pamphlet.

No. ____ ____

Premium ____ ____ $ 23 · 64

Proportion of Contribution to Fire Services Levy ..... $ · (If Applicable)

Stamp Duty ..... $ · 35 (If Applicable)

Amount Payable $ 23 · 99

THE OCEAN[illegible] INSURANCE [illegible]

HOUSEOWNER'S AND HOUSEHOLDER[illegible]

Whereas MR. ANWAR ALI S/O MOHAMMED SADIQ

(hereinafter called the Insured) has made to [redacted] INSURANCE COMPANY LIMITED (hereinafter called
SIXTEENTH day of JUNE 19 71, which it is hereby a
incorporated herein, and the particulars therein set forth shall be in all cases deemed to be furnished by or on behalf of the
the Company the sum of $23.64 as Premium for insurance against the contingencies specified in the Schedule
NINETEENTH day of JUNE 19 71, to Four o'clock in the after
JUNE 19 72.

Now this Policy Witnesseth that in consideration of the payment of the aforesaid Premium, THE COMP
herein or endorsed or otherwise expressed hereon or attached hereto, which conditions shall, so far as the nature of them
to the right of the Insured to recover hereunder) that in the event of any of the said contingencies happening between the date
the Insured shall pay to the Company and it shall accept the Premium required for the renewal of this Insurance, the Co
Insured as hereinafter provided.

SCHEDULE

Wherever appearing in this Policy the word "Residence" shall mean:—
The Private Dwelling, Private Boarding House and/or Residential Flat and all domestic Offices, Stables, Garages and Outbuildings on the same premises and used in connection therewith (including landlord's fixtures and fittings).

~~SECTION 1—Contingencies Relating to Buildings~~

LOSS OF OR DAMAGE TO BUILDINGS HEREINAFTER SPECIFIED CAUSED BY ANY OF THE UNDER-MENTIONED PERILS.

(a) Fire, Explosion, Lightning, Thunderbolt or Earthquake.

(b) Burglary, Housebreaking, or any attempt thereat.—The Insurance against these perils shall not apply whilst the Private Dwelling, Private Boarding House and/or Residential Flat is left unfurnished.

(c) Aircraft and other aerial devices and/or articles dropped therefrom.

(d) Riot or civil commotion or strikers or locked-out workers or persons taking part in labour disturbances, or persons of malicious intent acting on behalf of or in connection with any political organisation where such loss or damage is directly caused thereby.
Also loss or damage directly caused by the action of any lawfully constituted authority in connection with the perils specifically referred to in this Sub-section (d).

(e) Bursting, leaking, or overflowing of water tanks, apparatus or pipes.

(f) Cost of removal of debris consequent upon damage arising from perils insured under (a), (b), (c) and (d) of this Section.

THE BUILDINGS

The Residence, and the walls, gates and fences pertaining thereto situate _____

_____ $

_____ $

_____ $

38

Total sum insured ___ ___ $

This above total has been declared by the Insured to represent not less than the full value of the Property insured hereby, and the total liability of the Company in respect of loss or damage thereto by all or any of the said perils d[illegible] any one period of insurance shall not exceed the amount stated against each item respectively, or in the aggregate th[illegible]ove total.
In the event of the said Residence being left without an inhabitant therein for more than thirty consecutive days, the Insurance by Section 1 (a), (b) and (e) shall be entirely suspended in respect of any period or periods during which the said Residence may be so left in excess of the aforesaid thirty days, unless with the written consent of the Company.
~~The occupation of portion of the Residence for professional purposes is allowed.~~

The occupation of portion of the Residence for professional purposes is allowed.
This Policy does not cover Live Stock, Motor Vehicles and Accessories in or on the said Vehicles, Craft designed for use on water or in the air and Accessories therefor, nor, unless specially insured in separate sums, Deeds, Bills of Exchange, Promissory Notes, Cheques, Securities for Money, Documents of any kind, Stamp Collections, Manuscripts, Medals and Coins.
If any part of the Residence is lent, let, or sub-let, this Policy does not cover loss or damage by Larceny or Theft of Contents of that part of the Residence which is not occupied solely by the Insured.

S[illegible]

A.—LOSS OF OR DAMAG[illegible]
PERILS:—

(1) Fire, Explosion, Ligh[illegible]

(2) Burglary, Housebreak[illegible]

(3) Riot or civil comm[illegible] workers or persons t[illegible] or persons of malici[illegible] in connection with [illegible] such loss or damage[illegible] Also loss or damage[illegible] any lawfully constitu[illegible] the perils specifically [illegible]

(4) Water discharged o[illegible] systems.

(5) Aircraft and other [illegible] dropped therefrom.

(6) Damage to Mirrors, [illegible] accidental breakage [illegible]

(7) Larceny or Theft exc[illegible] Treasury Notes, Ba[illegible] Stamps, Money Orde[illegible]

(8) Storm and/or Tempe[illegible] the sea, tidal wave, [illegible] sidence or landslide,

attached.*

AMOUNT INSURED $3,000.00

THE OCEANIC INSURANCE CO. LTD.

OWNER'S AND HOUSEHOLDER'S POLICY

MOHAMMED SADIQ

INSURANCE COMPANY LIMITED (hereinafter called the Company) a written Proposal and Declaration dated the JUNE 19 71, which it is hereby agreed shall be the basis of this Contract, and be considered as be in all cases deemed to be furnished by or on behalf of the Insured, and whereas the Insured has paid or agreed to pay to r insurance against the contingencies specified in the Schedule hereto for the period dating from the 19 71, to Four o'clock in the afternoon of the NINETEENTH day of

tion of the payment of the aforesaid Premium, THE COMPANY HEREBY AGREES (subject to the conditions contained hereto, which conditions shall, so far as the nature of them respectively will permit, be deemed to be conditions precedent ent of any of the said contingencies happening between the dates set forth above, or in any subsequent period, in respect of which e Premium required for the renewal of this Insurance, the Company will by payment, reinstatement, or repair, indemnify the

SCHEDULE

all domestic Offices, Stables, Garages cluding landlord's fixtures and fittings).

Buildings

ED BY ANY OF THE UNDER-

ese perils shall not apply whilst the rnished.

rt in labour disturbances, or persons anisation where such loss or damage

uthority in connection with the perils

red under (a), (b), (c) and (d) of this

$

$

$

d sum insured $

value of the Property insured hereby, any of the said perils d any one , or in the aggregate the ove total. more than thirty consecutive days, the ny period or periods during whilst the ritten consent of the Company.

the said Vehicles, Craft designed for reign notes, Deeds, Bills of Exchange, Collections, Manuscripts, Models and

ss or damage by Larceny or Theft of

SECTION 2—Contingencies Relating to Contents

A.—LOSS OF OR DAMAGE TO CONTENTS AS DEFINED CAUSED BY ANY OF THE UNDERMENTIONED PERILS:—

$20 deductable from each and every claim

(1) Fire, Explosion, Lightning, Thunderbolt or Earthquake.

(2) Burglary, Housebreaking or any attempt thereat.

(3) Riot or civil commotion or strikers or locked-out workers or persons taking part in labour disturbances, or persons of malicious intent acting on behalf of or in connection with any political organisation where such loss or damage is directly caused thereby. Also loss or damage directly caused by the action of any lawfully constituted authority in connection with the perils specifically referred to in this Sub-Section (3).

(4) Water discharged or leaking from pipes or water systems.

(5) Aircraft and other aerial devices and/or articles dropped therefrom.

(6) Damage to Mirrors, other than Hand Mirrors, by accidental breakage thereof.

(7) Larceny or Theft excluding Larceny or Theft of Cash, Treasury Notes, Bank Notes, Savings Certificates, Stamps, Money Orders, Postal Notes and Bonds.

(8) Storm and/or Tempest excluding loss or damage by the sea, tidal wave, high-water flood, erosion, subsidence or landslide, as per Schedule attached.*

whilst contained in the Residence situate

12, NORTH STREET, SUVA

or, provided the said Residence is in the use of the Insured, whilst portion of the Contents is—

(a) Temporarily removed elsewhere (excluding Furniture repositories).

(b) On the person or in transit.

All only whilst within the Commonwealth of Australia, provided always that the total liability of the Company under Section 2A (1) and (3) for that portion of the Contents referred to in (a) and (b) aforesaid shall not exceed 20 per cent of the total sum insured on Contents.

whilst contained in the above-mentioned Residence (and to an amount not exceeding $50 or 5% of the total sum insured on contents (excluding specified articles) whichever is the greater, whilst in the open air within the walls, gates and fences pertaining thereto or in the Commonwealth of Australia only whilst—

(a) Deposited in any Bank or Safe Deposit.

(b) Temporarily contained in any occupied Private Dwelling and/or Residential Flat, ex ing tents, vehicles or ater-borne craft.

(c) Temporarily removed from the said Residence, not being a Boarding House to any Boarding House, Hotel, Club, Nursing Home or Hospital where the Insured or any Member of his family as hereinafter mentioned is residing—

but excluding Larceny or Theft of Property:—

(i) In the open air except as otherwise expressly stated herein,

(ii) whilst permanently contained in a boarding house, or

(iii) whilst on the person or in transit.

THE CONTENTS

Household Goods and Personal Effects of every description (except Property specifically excluded and Articles declared to be otherwise insured)—including Cash, Treasury Notes, Bank Notes, Savings Certificates, Stamps, Money Orders, Postal Notes and Bonds [see Section 2A(7)] to an amount not exceeding $50 or 5 per cent of the total sum insured on the Contents as herein declared whichever is the less—belonging to the Insured or to members of his family permanently residing with him, and including (whilst at the Residence) property of the Insured, used in his profession and Fixtures and Fittings the Insured's own or for which he is responsible, not being landlord's fixtures and fittings

	$ 3,000
	$
	$
Total sum insured on Contents	$ 3,000

The above total has been declared by the Insured to represent not less than the full value of the Property insured hereby.

For the purposes of this Insurance no one curio, picture or other work of art or any article of vertu, fur, piece of jewellery, gold and/or silver article shall be deemed of greater value than 5 per cent of the total sum insured on Contents unless such article is specially insured in a separate sum, and further, the total value of furs, jewellery, gold and/or silver articles, shall be deemed not to exceed one-third of the total sum insured on Contents as above unless specially agreed herein.

The total liability of the Company in respect of loss or damage to the Contents by all or any of the said perils during any one period of insurance shall not exceed the amount stated against each item respectively, or in the aggregate the total sum insured on Contents. This limitation does not apply to "Other Contingencies" referred to in Section 3 of the Policy.

In the event of the said residence being left without an inhabitant therein for more than thirty consecutive days, the insurance by Section 2A (1) and (2) shall be entirely suspended in respect of any period or periods during which the said residence may be so left in excess of the aforesaid thirty days unless with the written consent of the Company.

Further, the insurance against Larceny or Theft under Section 2A (7) shall be entirely suspended as regards the contents remaining in the said residence in the event of the said residence being lent, let or sub-let, or left without an inhabitant therein.

B.—SERVANTS' GOODS.—Loss or damage caused by the said Perils (other than Larceny and Theft) to Clothing and Personal Goods of the Insured's Servants if and so far as such property is not otherwise insured whilst contained in the Insured's Residence, situated as above or any temporary residence within the Commonwealth of Australia in which such Servants are at the time of such loss or damage arising residing with the Insured or any member of his family as aforesaid.

C.—DAMAGE TO RESIDENCE.—Cost of repairing damage to the Residence (other than fire damage) not otherwise recoverable and for which the Insured is liable, arising from any of the perils enumerated in Section 2A (2), (3), (4), (5) and (8), or from the breakage or collapse of Television or Wireless Aerials or Masts. The cover granted hereby is limited to the sum of $50, but only to the extent to which the sum insured on the Contents is not otherwise exhausted.

SECTION 3—Other Contingencies

A.—LOSS OF RENT (Relating to Buildings).—Loss of Rent in the event of the Insured Premises being so damaged by any of the Perils specified under Section 1 as to become untenantable. The sum for which the Company shall be liable shall be proportioned to the time reasonably necessary for reinstatement not exceeding twelve months. The annual rent (or the rentable value in cases where the Insured is the occupant of the house) is to be taken as the basis of calculation.

B EXPENSES (Relating to Contents).—Reasonable temporary Accommodation Expenses, necessarily incurred by the Insured in consequence of the Insured's Residence aforesaid being rendered untenantable by any of the Perils specified under Section 2, not exceeding, however, 10 per cent of the total sum hereby insured on Contents.

C.—LIABILITY TO THE PUBLIC.—Claims made on the Insured based on liability (excluding liability under contract) as owner or occupier of the residence referred to in this Policy and in respect of accidents happening in or about the said residence causing:—

(1) Bodily injury to any person not being a member of the Insured's family or household or in his service.
(2) Damage to property not belonging to or in the charge or under the control of the Insured or of a member of his family or household or of a person in his service.

Provided always that the amount payable hereunder in respect of any one accident or series of accidents constituting one occurrence shall not in any case exceed the sum of $2,000 in addition to costs and expenses incurred by the Insured with the written consent of the Company.

This Policy does not cover claims in respect of injury or damage arising out of or incidental to—

(I.) The Insured's profession or business; or
(II.) The use of lifts, or vehicles; or
(III.) The carrying out of alterations, additions, repairs, or decorations; or
(IV.) The use or ownership of animals when such injury or damage occurs beyond the boundaries of the allotment on which the Insured resides; or
(V.) Damage to surrounding property, unless caused by parts of the said Residence falling thereon; or
(VI.) Any occurrence in respect of which a claim is made against the Insured as owner of a Private Boarding House or Residential Flat.

D.—COMPENSATION FOR DEATH OF THE INSURED.—In the event of fatal injury to the Insured occurring in the Residence aforesaid and occupied by him, occasioned by outward and visible violence caused by Burglars or Housebreakers or Fire (provided that in the last mentioned event a Fire Brigade attends or is forthwith summoned), the Company will pay the sum of $2,000, or one-half of the total sum insured on Contents in Section 2, whichever is the less, if death ensues therefrom within 90 days of such injury. The liability of the Company under this item, during any period of insurance, is limited to the said sum of $2,000, or one-half of such total sum insured, whichever may be the less, and shall only attach if the insurance under this Policy covers the Contents of the Residence aforesaid.

If two or more persons are named as "the Insured," the amount recoverable in respect of each shall be limited to a proportionate part of the total sum insured hereunder, except in cases where certain of the Insured may be nominated as the person or persons to be covered in respect of this contingency.

PROVIDED that if at the time the Insured or any other person entitled to the benefit granted by this section sustains fatal injury in the manner aforesaid there is any other Householder's Policy in force with this or any other Company or Insurer, which contains a benefit for the same result in respect of the person so fatally injured, the total liability of this Company under this Section in respect of such result shall not exceed that proportion of the sum provided in this Section which such sum bears to the total amount of all such benefits under all Householders' Policies (including this Policy).

E.—DAMAGE BY IMPACT.—Loss or Damage to the property insured caused by impact with the Residence or the Walls, Gates or Fences pertaining thereto by—

(1) Any Road Vehicle, Horses or Cattle not belonging to or under the control of the Insured or the occupier or any member of their families permanently residing with them.
(2) Falling trees and/or parts thereof excluding loss or damage caused by or consequent upon the falling or lopping of trees within the Insured's premises.

F.—DAMAGE BY BREAKAGE OR COLLAPSE OF TELEVISION OR WIRELESS AERIALS OR MASTS (Relating to Buildings).—Cost of repairing damage to the Residence arising from the breakage or collapse of Television or Wireless Aerials or Masts provided, however, that the Insurance on the Residence under this Policy extends to cover damage caused by Storm and/or Tempest.

DATED AT SUVA, FIJI this TWENTY EIGHTH day of

Examined

Entered

40

35

HURRICANE SCHEDULE:

In consideration of the payment by the Insured to the Company of an Additional Premium it is hereby agreed and declared that the insurance under this Policy shall, subject to the Special Conditions hereinafter contained extend to include destruction of or damage to the Property insured caused by Storm and/or Tempest.

Provided further that in respect of each insured building and/or the contents thereof the Company shall not be liable under this extension unless the amount of loss or damage shall exceed the sum of $40 and only for the figure for which such sum is exceeded.

AVERAGE CLAUSE:

If the property hereby insured shall, at the breaking out of any fire, or at the commencement of any destruction of or damage to such property by any other peril hereby insured against, be collectively of greater value than the sum insured thereon, then the Insured shall be considered as being his own Insurer for the difference, and shall bear a ratable proportion of the loss accordingly. Every item, more than one, of the Policy shall be separately subject to this Condition.

JULY ..... one thousand nine hundred and SEVENTY ONE.

Manager for FIJI.

WORKSHEET G

Mr. Ali, the person insured under the policy shown on pages 35/36 of this pamphlet occupies with his family a flat on the ground floor of a house owned by Mr. Patel. The owner lives on the top floor.

Below we have listed some events that could happen in Mr. Ali's household during the time he is insured under this policy. Examine each case and find out

(a) whether or not the loss or damage is covered by his insurance;

(b) the relevant part (CLAUSE) of the policy which deals with each particular case;

(c) the amount to be paid by the insurance company if the loss or damage is covered.

Use the table on page 39 for your answers.

1. Thieves break into Mr. Ali's flat at night. A radio set worth $150 is stolen.

2. The roof of the house is damaged by strong winds. Amount $300.

3. A bag with documents worth $200 is stolen from Mr. Ali's car which was parked outside his office in town.

4. Burglars break into Mr. Ali's flat and steal $100 worth of jewellery belonging to his wife, $20 worth of clothing belonging to his housegirl, and a camera worth $50 which belongs to his brother. His housegirl lives in the household with the Alis. Mr. Ali's brother came for a short visit over the weekend.

5. A fire breaks out in Mr. Ali's kitchen. He loses personal belongings worth $1,200. The value of the personal belongings and household goods which remained undamaged is estimated at $2,800.

6. Until his flat is repaired, Mr. Ali has to rent a small house for his family and himself. He pays $60 rent per month. After six months he moves back into the repaired flat.

7. Mr. Ali and his family spent three months overseas. His flat was unoccupied during that time. Three days before his return a broken waterpipe caused $100 damage to his furniture.

WORKSHEET G (continued)

8. Mr. Ali's daughter breaks the mirror in the living room, causing damage of $50.

9. An "old friend" of Mr. Ali stays with them for a few days. He steals $100 cash out of Mr. Ali's wallet before leaving. The money cannot be recovered.

10. An explosion of the kerosene cooker causes $100 damage to the furniture.

11. Mr. Ali has sublet one room of his flat to a student of a nearby training centre. A visitor steals the student's watch from the room. Value of the watch $50.

12. A hurricane breaks windows ($40) and damages clothing and furniture in the flat ($120).

No.	Covered by HH insurance YES / NO	Relevant section of policy	Amount of Claim	Remarks

Life Insurance

Life insurance, or LIFE ASSURANCE as it is commonly called, is taken out against the risk of death. It provides for the insured person's family in case of his death and is a safe method of regular saving for the future.

Life assurance policies differ from other insurances. The companies dealing with life assurance know for certain that they have to pay out the claim one day, while in general insurance the company receiving the premiums may never be called upon to pay anything at all. It pays only if the insured suffers a loss or damage. The motor vehicle, fire or burglary insurance sometimes is dropped or changed to another company at the end of the year. Life assurance contracts normally go over a longer period and regular premiums of a fixed amount are paid (weekly, monthly, quarterly or yearly) to the same company.

There are three main types of life assurance:

1) WHOLE LIFE ASSURANCE: The company pays the dependants of the insured after his death, no matter at what age it occurs (provided he has kept up payment of the premiums);

2) TERM (Temporary) ASSURANCE: The policy covers the next five, ten or fifteen years of the insured's life. Nothing is paid if he lives to the end of his "TERM". It is the cheapest type of life assurance and suitable for those who may not be able to afford the higher premiums on a whole life or endowment policy;

3) ENDOWMENT ASSURANCE: This type of assurance serves as a SAVING SCHEME as well as PROTECTION in case of death because the amount insured is payable

   (a) when the insured dies OR

   (b) reaches a certain age fixed in the policy.

The amount of premium paid for an endowment insurance must necessarily be higher than for the whole life insurance.

The amount of premium depends mainly on the sum insured ("COVER VALUE") and the age of the insured, and the type of assurance. The following page deals with the principle of premium calculation.

FINDING THE NATURAL LIFE ASSURANCE PREMIUM

Statistical information about the number of people living and dying at each age class is available in many countries. From these data obtained over a number of years a MORTALITY TABLE can be developed. This table forms the basis of the premium calculation in all life assurance companies.

Below is an example of a simple MORTALITY TABLE:

Age	Number of people living	Number of people dying
at birth	1,000	0
after 10 years	970	30
" 20 "	950	20
" 30 "	925	25
" 40 "	883	42
" 50 "	810	73
" 60 "	677	133
" 70 "	454	223
" 80 "	180	274
" 90 "	21	159
" 100 "	0	21
		1,000

WORKSHEET H

Answer the following questions, using the information given on pages 40/41 :

1) How many people out of 1,000 are likely to die

   (a) within the first ten years of age;

   (b) between the ages of 20 - 30;

   (c) between the ages of 60 - 70;

   (d) before the age of 50?

2) We assume that OCEANIC INSURANCE Co. Ltd. has sold 100 10-year TERM LIFE ASSURANCES to 20 year-old persons. Each policy is for $2,000 sum insured. Find

   (a) the number of 20 year-old insured who are likely to die within the next ten years;

   (b) the amount of claims the Insurance Company is likely to pay out over the same period;

   (c) the total premium income required to pay the claims, considering yearly office expenses of $6,000;

   (d) the NATURAL PREMIUM to be paid by each policy holder i) per year, ii) per month.

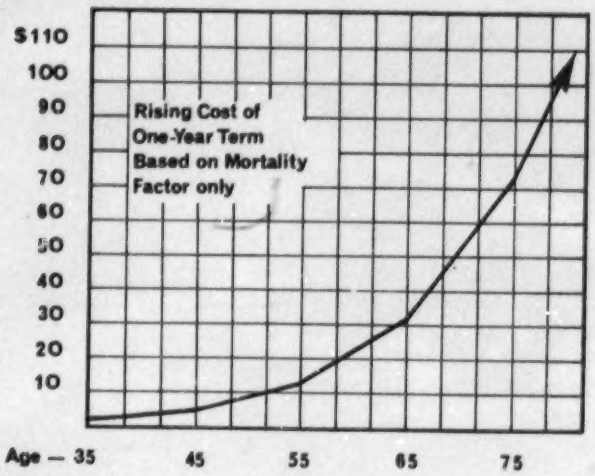
3) What would be the answers to 2 (a) - (d) if the insurance was sold to 40 year-old and 60 year-old persons?

4) What conclusion can be drawn from examples 2) + 3) above?

THE PROBLEM OF INCREASING RATE

From the answers to the question sheet on the previous page we see that NATURAL PREMIUM RATE increases with the age of the person insured.

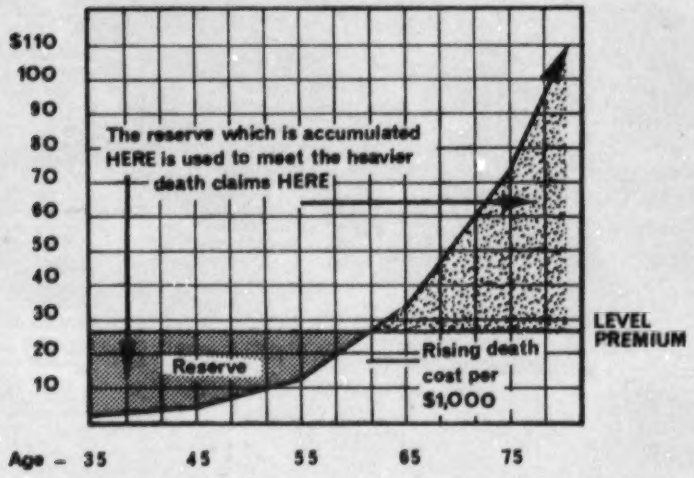
For example, $1,000 of one-year term insurance cost: $2.51 at the age of 35, $5.35 at the age of 45, $13.00 at the age of 55. At the age of 65 it becomes $31.75 and at the age of 75 it becomes $73.37. The diagram below illustrates the increase of the NATURAL PREMIUM.



Such an increase in the later years of a man's life would create a difficult situation. At a time of a man's life when he needs life insurance protection most because of the increasing probability of his death, he might find it impossible to pay the high premium rate.

A way had to be found to use a constant rate which would not change no matter how old the policy holder becomes. The increases in the yearly term rates are evenly distributed (LEVELLED) over the expected lifetime of the insured. This is done by charging MORE than is currently necessary in the earlier years, (thus creating a RESERVE), and LESS than required in the later years of the insured's life. The reserve is used in the later premium years to meet the higher amounts of claims.

The diagram below illustrates the principle of the LEVEL PREMIUM.



The RESERVE is not an extra income of the insurance company, but an amount of premium income set aside TEMPORARILY to meet the higher costs of later years. The reserve funds are deposited with banks or similar institutions (INVESTED).

NOTE: There are a number of other facts considered by life assurance companies when determining the premium rates, for example:

1) the interest they earn from the investment of their reserves;

2) the amount of business expenses (salaries, rent, stationery, telephone, etc.);

3) the "BAD RISKS" among their insured, such as people with poor health, working in dangerous jobs, etc.

Examine the sections on Life Assurance Proposal Form on the next page for questions seeking to find out more about "BAD RISKS".

(a) Do you intend or are you likely to make a flight in an aircraft other than as a farepaying passenger in a public air transport service?

(b) Do you intend or are you likely to engage in any of the following pursuits or pastimes? If so, indicate which ones and give details, *using supplementary form if applicable.* If not, write 'NO' in the details space.

(c) Do you want any of the risks mentioned in parts (a) and (b) of this question covered under Supplementary Accident or Disablement Benefits? (Some risks cannot be covered.)

Yes ☐
No ☐

Motorcycling	☐	Mountaineering	☐	Professional Boxing	☐
Motorscootering	☐	Rockclimbing	☐	Professional Wrestling	☐
Racing (other than on foot)	☐	Diving	☐	Other	☐

Details:

Have you EVER had any of the following? For each 'yes' enter the details below, unless already given in the answers to question 7.

	Yes	No		Yes	No		Yes	No		Yes	No
asthma			rheumatic fever			kidney or bladder disease			bleeding from lung		
tuberculosis			St. Vitus dance			(including renal colic or stone)			bleeding from bowel		
pleurisy			indigestion			diabetes			bleeding from kidney		
other lung complaint			gastric or duodenal ulcer			cancer or tumour of any kind			defect in sight		
high blood pressure			dysentery			ear discharge			defect in hearing		
low blood pressure			epilepsy			sinus trouble			defect in speech		
pain in chest			fits of any kind			loss of part or all of a limb			any other illness, injury		
any heart complaint			mental or nervous complaint			rupture (hernia)			or operation		

Date	Name and Address of Doctor, Hospital, etc.	Details, including duration and date of recovery

Have you DURING THE LAST 5 YEARS had any MEDICAL EXAMINATION, ADVICE OR TREATMENT, any SURGICAL OPERATION, X-RAY, ELECTROCARDIOGRAPH or any other TEST or INVESTIGATION? *If so, give details of each instance. If not, write 'NO'.*

Date	Name and Address of Doctor, Hospital, etc.	Details, including duration and date of recovery

(a) State the nature of your work in your profession, trade or business and complete the details required.

(b) Does your work involve you physically with any of the following potential hazards? If so, indicate which ones and give details. If not, write 'NO' in the details space.

(c) Are you thinking of changing your occupation? If so, give details.

Poles	☐	Machinery	☐
Hoists	☐	Explosive substances	☐
Scaffolds	☐	Acids or corrosives	☐
Slings	☐	Other hazard	☐

Details:

Yes ☐ Details:
No ☐

OCEANIC INSURANCE COMPANY, LTD.

NUMBER
500986

AGE AT ISSUE
40

Agrees to pay the Amount of this Policy as stated in the schedule below, less any indebtedness to the Company on this Policy, to the Beneficiary immediately upon receipt of due proof of the death of the Insured occurring during the continuance of this Policy.

This Policy constitutes the entire contract and is issued in consideration of the payment of the first premium due on the Policy Date stated in the schedule below, and the payment of the balance of premiums as they fall due during the Premium Paying Period named below.

SCHEDULE

Amount of Policy	$2,000
The Insured	TIMOCI WAQA
Policy Plan	WHOLE OF LIFE
Policy Date	JANUARY 1ST, 1975
Premiums	ANNUAL Premiums of $45.00 Each YEAR
Premium Paying Period	WHOLE OF LIFE
Name of Beneficiary and Relationship to Insured	AKENISI WAQA WIFE

Secretary

President

Attest:

CONDITIONS AND PRIVILEGES

1. **Payment of Premiums.** This policy shall not take effect until after the first premium hereon has been paid, nor unless the applicant is in good health at the time the policy is delivered.

All premiums are due and payable in advance at the Home Office of the Company without notice. However, they may be paid to an authorized agent of the Company before the due date, but only in exchange for a receipt signed by the President or Secretary and countersigned by such agent. Upon failure to pay a premium on or before the date when due, this Policy shall become nul. and void without any action or notice by the Company, and all rights shall be forfeited to the Company, except as to the options herein stated.

2. **Loans and Indebtedness.** At any time after premiums have been paid for sufficient full years to provide a value under the Table of Loan and Non-Forfeiture Values and while this policy is in force the Company will loan, on proper assignment of this Policy, and on the sole security thereof, less interest at the rate of six per cent per annum in advance to the next policy anniversary date, any sum not in excess of the amount stated in the Table of Loan and Non-Forfeiture Values.

3. **Change of Beneficiary.** Subject to the rights of any assignee, or any irrevocably appointed Beneficiary, the Insured may at any time change the Beneficiary by filing written notice thereof at the Home Office of the Company, accompanied by the Policy for suitable endorsement by the Company, such change, when so endorsed, to be effective as of the date of the execution of the notice by the Insured.

4. **Reinstatement.** At any time after any default in premium payment, upon written application and presentation at the Home Office of evidence of insurability of the Insured, satisfactory to the Company, this Policy, unless previously surrendered for its Cash Value, may be reinstated upon the payment of all past due premiums with compound interest thereon at the rate of six per cent per annum and the payment or renewal of any indebtedness to the Company existing at the time of such default with interest.

5. **Assignment.** No assignment of this Policy shall take effect unless made in writing in duplicate, the original attached to this Policy and the duplicate filed in the Home Office of the Company.

6. **General.** Death by self-destruction, sane or insane, within two years of the date of the issue hereof shall limit the amount payable by the Company to the total premiums paid.

NON-FORFEITURE PROVISIONS

After premium payments hereon have been made for at least the minimum period necessary to produce a non-forfeiture value on the basis herein provided, the insured shall within sixty days from the due date of any premium in default upon written notice to the Company, be entitled to a surrender value set forth in the Table of Loan and Non-Forfeiture Values for the Age at Issue of this policy. Any insurance continued under the paid up life insurance or extended term insurance options shall not include the additional benefits or insurance provided by the supplements, if any, attached to this policy.

OPTION 1 — CASH VALUE. Surrender this Policy at the Home Office of the Company for the cash value appearing in the Table of Loan and Non-Forfeiture Values.

OPTION 2 — PAID-UP LIFE INSURANCE. Surrender this policy at the Home Office of the Company for paid-up life insurance for the reduced amount appearing in the Table of Loan and Non-Forfeiture Values, payable at the same time and on the same conditions as this policy except that any amount so payable shall be paid in one sum. Such paid-up life insurance shall be without any disability or accidental death benefits.

OPTION 3 — EXTENDED TERM INSURANCE. The face amount of this policy will be extended as non-participating Term Insurance for the period shown in the Table of Loan and Non-Forfeiture Values without any disability or accidental death benefits, and without any loan value. Such Extended Term Insurance will commence on the due date of the unpaid premium.

AUTOMATIC OPTION. If the Insured shall not exercise any of the above options within the sixty-day period, and the Automatic Premium Loan Feature is not effective, the Paid-Up Life Insurance Provisions will apply automatically.

WORKSHEET I

Consult a life insurance business in your area to obtain information required to complete the table below. Select two persons in your family and use their ages when inquiring about the premium they would have to pay for life assurance:

COVER $_____	Age	Yearly or monthly or weekly premium for I) WHOLE LIFE ASSURANCE	II) 10-year TERM ASSURANCE	III) ENDOWMENT ASSURANCE
Person A				
Person B				

What conclusions can be drawn from the comparison?

SPECIAL FEATURES OF LIFE ASSURANCE

MUTUAL SOCIETIES: Some businesses dealing with life insurance are not registered companies, but MUTUAL SOCIETIES. This means that they belong to the insured themselves who automatically become members of the society when buying life insurance.

INSURANCE AGENTS: While general insurance is mostly bought directly from the office of the company, life insurance companies and societies employ AGENTS. It is the agents' duty to advise people on the type of life assurance that suits their needs best. The agent gets a commission depending on the amount of business he sells.

BONUSES: If the premium and interest of the life insurance company exceed their expenditure for claims and business expenses, a BONUS becomes payable. The BONUS, however, is not paid out in cash, but added to the amount insured and it will be paid out if the policy holder dies or with the maturity of the policy. This explains why a $2,000 policy may grow to $2,800 when it is paid, because of the bonuses ($800) added to the sum insured ($2,000).

DOUBLE INDEMNITY: Some policies have a clause that guarantees the insured DOUBLE THE VALUE of his life insurance if he dies in an ACCIDENT.

BENEFICIARIES: These are persons nominated by the policy holder to receive the sum insured if he dies. Most people name a member of the family: wife, children, brother, etc. The name of the beneficiary can be changed any time. It is advisable to name a "CONTINGENT BENEFICIARY" - someone who will get the money if the first beneficiary dies before the insured.

CASH VALUE: Some people have the idea that life assurance is a grim bet where a person wins only if he dies. This is not so. In many countries, more life insurance money goes to living policy holders than to beneficiaries. Term insurance is the only type of insurance where a person has to die to collect. WHOLE LIFE and ENDOWMENT insurance build up CASH VALUES as premiums are paid. The CASH VALUE can be used by the policy holder in a number of ways if his personal situation changes. The most common uses are the following:

PREMIUM LOANS: If the insured gets into difficulties and cannot continue paying premiums, the premiums can be paid out of the cash value (the money already paid in in previous years). This is done by a loan from the cash value of the policy, in the books of the insurance company. However, the loan will be deducted from the sum insured if it becomes payable.

REDUCE PAID-UP INSURANCE: If the insured does not wish to pay any more premiums but still wants to be covered, he can CONVERT (= alter) his policy into a reduced paid-up insurance. He will be covered for the rest of his life but for a smaller amount than originally; how much depends on the cash value he has built up before.

LOAN SECURITY: Like a mortgage or a bill of sale, a life insurance policy can be used as a security for obtaining a loan. The value of the security is approximately 90 % of its cash value. The policy is given to the lender until the loan is paid back, but the insured remains covered by the life insurance.

SURRENDER: If the insured wishes to end the policy, its cash value will be calculated and paid out to him in CASH. SURRENDER is not possible in the first two or three years of the contract. Of course the insurance protection ends with the surrender of the policy.

TABLE I

GENERAL INSURANCE - GROSS PREMIUMS

CLASS OF BUSINESS	($ 000)				
	1969	1970	1971	1972	1973
Fire (Including hurricane, earthquake, etc.)	963	1,120	1,211	1,418	1,592
Householders and Householders	31	51	66	92	111
Motor Comprehensive	579	800	875	1,255	1,505
Compulsory Third Party	113	118	154	257	250
Marine Cargo	277	311	363	446	556
Marine Hull	14	16	30	38	61
Worker's Compensation	149	186	243	323	374
Burglary	34	46	65	88	95
Public Liability	31	47	50	72	78
Personal Accident, Sickness, Medical and Hospital, etc.	25	28	30	35	60
Miscellaneous (e.g. cash in transit, plateglass, fidelity guarantee, bonds, all risks, livestock, etc.)	50	62	148	157	270
	2,266	2,785	3,235	4,181	4,952
Annual percentage changes	....	+22.90	+16.16	+29.24	+18.4

Source: Insurance Statistics of Fiji, 1973, Bureau of Statistics.

TABLE II

GENERAL INSURANCE - CLAIMS PAID

CLASS OF BUSINESS	($ 000)				
	1969	1970	1971	1972	1973
Fire (including hurricane, earthquake, etc.)	190	227	96	2,518	444
Housecowners and Householders	7	7	12	186	87
Motor Comprehensive	312	526	624	774	969
Compulsory Third Party	38	202	156	169	235
Marine Cargo	74	180	98	278	273
Marine Hull	11	4	2	7	23
Worker's Compensation	31	27	30	69	134
Burglary	56	56	89	127	102
Public Liability	3	3	2	11	35
Personal Accident, Sickness, Medical and Hospital, etc.	8	2	3	17	12
Miscellaneous (e.g. cash in transit, plateglass, fidelity guarantee, bonds, all risks, livestock, etc.)	16	30	38	233	156
	726	1,264	1,150	4,389	2,470
Annual percentage changes	...	+74.10	-9.02	+281.65	-56.3

Source: Insurance Statistics of Fiji, 1973, Bureau of Statistics.

TABLE III

LIFE INSURANCE - NUMBER OF POLICIES

LIFE INSURANCE	1970	1971	1972	1973
In force at beginning of the year	39,879	41,759	45,528	49,776
Issued during the year	9,574	10,572	11,752	11,895
Terminated by Surrender, Death Claim, Transfers, Maturity or Other Causes	1,785	1,683	1,906	2,021
Lapsed during the year	5,909	5,120	5,598	5,734
In force at end of the year	41,759	45,528	49,776	53,930

TABLE IV

LIFE INSURANCE

YEAR	NO. OF POLICIES IN FORCE AT THE END OF THE YEAR	TOTAL SUM ASSURED ($F)	AVERAGE SUM ASSURED PER POLICY ($F)
1973	53,930	88,992,419	1,650

Source: Insurance Statistics of Fiji, 1973, Bureau of Statistics.

HOW TO BUY INSURANCE

1) SHOP AROUND. Insurance premiums for the same coverage can vary. Premiums are not the only factor, but an important one.

2) FIND A GOOD INSURANCE COMPANY. The right company can save you money and keep you out of insurance trouble. Ask around. Talk to your friends and to people whose judgement you respect. Ask what kind of reputation the company has for settling claims and for helping policy holders when they suffer a loss. Do they provide you with enough information when recommending the right type of policy? Do they explain why they feel it is the most suitable protection for you?

3) DON'T BE AFRAID TO ASK QUESTIONS: A good company or agent will answer them thoroughly and try to assist you in selecting the kind of protection that suits your needs best.

4) DON'T RUSH into signing a contract. Take time to compare different offers and decide on the most suitable.

5) DON'T MAKE FALSE STATEMENTS IN THE PROPOSAL FORM - you might lose your insurance cover.

6) READ THE POLICY before the claim, not after. Have the agent explain the fine print if you cannot understand it. Don't wait until the accident to know what's written in the policy.

7) KEEP POLICY AND PREMIUM RECEIPTS IN A SAFE PLACE. You need them in the event of a claim. Keep your policy up-to-date by informing the insurance company immediately about changes in the ownership, the location and the value of the insured items.

8) INFORM INSURANCE COMPANY immediately in the event of a claim, such as an accident, fire, loss or damage, etc. In most cases you must also inform the police without delay.

9) CHECK ON THE INSURANCE COVERAGE. Property which was worth $3,000 three years ago might be worth $4,000 today. You would be underinsured.

10) DON'T MAKE FALSE CLAIMS, or put up the amount of the loss in order to receive higher payment. Insurance companies are quite skilled in finding out and you will be in trouble.

GLOSSARY OF WORDS

accessories	useful, but not essential parts - such as accessories of a bicycle: a lamp, a pump
assurance	this word has the same meaning as insurance, but it is generally used in connection with life insurance
average clause	section of the insurance contract which lays down that the insurance company is only liable for such proportion of the loss as the sum insured bears to the correct value of the property
beneficiary	person entitled to receive payment of the insurance claim
bonds	valuable loan documents
bonus	in general insurance: reduction in premium for good risks, e.g. no-claim bonus in motor vehicle insurance; in life assurance: method of distributing profits to policy holders by adding an amount to the sum insured
cash value	the amount building up in whole life and endowment insurance by premium payments
commission	income of agents, usually a percentage of the amount of their sales
commotion	violent uprising, disturbance

compulsory	prescribed, must be done
consideration	"in consideration of" is used in legal documents, such as contracts of sale. The clause requires that the contract is a kind of bargain, where each party gets something in return. In the case of insurance contracts, the insured receives protection from loss in return for paying a premium
to contaminate	to make dirty
contingency	an event which might happen but cannot be foreseen, such as fire, burglary, etc.
contract	legally binding agreement between two or more persons or businesses
to convert	to change your life assurance contract (from endowment to whole life assurance, for instance)
coverage	insurance protection
cover value	the sum insured
to deem	"to be deemed" = it is believed that ...
depreciation	loss of value due to use, wear and tear (machines, houses, cars, etc. become worth less by being used). Depreciation is the difference between purchasing price and current value of the item
dwelling	place of residence, a house or flat
endowment	money or property given to provide an income

excess	the first part of a loss to be paid by the policy holder, agreed upon in the insurance policy, e.g. "$30.00 deducted from each and every claim"
to forfeit	to suffer a loss, to lose
franchise	similar to excess. Only amounts exceeding the franchise will be paid, but in full
grace	a "period of grace" (normally 30 days) is granted in life assurance. Policy holders remain covered for this period even if they have not paid the premiums
to incorporate	to include, put together into a body or group
to indemnify	to give as compensation for a loss
indemnity	security against financial loss. A policy with INDEMNITY CLAUSE is designed to put the insured in the same financial position as he was just before the loss occurred. He should not gain a profit
interim certificate	similar to cover note: a document certifying that the insured is covered. It is only valid until the policy is made out
to lapse	to end insurance contract, the policy "lapses"
larceny	theft, stealing
to mature	endowment policy in life assurance matures, i.e. becomes payable at a fixed date

peril	serious danger, risk
to reinstate	to put back into former position or condition
to renew	to continue insurance contract beyond its original duration by paying additional premium
renewal notice	standard form sent by insurance companies to insured before expiry of policy. It states the conditions of renewal
schedule	list or table in the policy, stating details of the insurance
to sublet	to rent to somebody else (a room, house, of which one is a tenant)
to surrender	to give up, to return policy against cash value and end insurance protection
to suspend	to stop temporarily, to withdraw cover temporarily
to sustain	to keep up, to maintain
tempest	violent storm
void	not valid, without force

INSURANCE CLAIMS TOP $4 MILLION.

Insurance firms carrying out general insurance business in Fiji paid out well over $4 million worth of claims in 1972 - an increase of over $3 million from those paid in the previous year.

This is revealed in a report on Insurance Statistics prepared by the Bureau of Statistics.

The report said that the sudden rise in claims was attributed principally to the damage caused by Hurricane Bebe. Claims for fire insurance including hurricane damage totalled $2,518,000 in 1972 compared with only $96,000 in 1971.

The report added: " From the point of view of general insurance 1972 was a bad year. The ratio of claims paid to gross premiums was 105 per cent in 1972 compared to 35.5 in the previous year".

Burglary claims also showed a substantial increase from $89,000 in 1971 to $127,000 in 1972.

Total claims paid on life policies in 1972 amounted to $1,227,000 which was 40.39 per cent more than in 1971. Claims for accidents totalled $85,000.

Hurricane "Bebe" struck Fiji on 24th October, 1972. Winds ranged from 69 to 92 m.p.h. gusting up to 140 m.p.h. It was reported that Lautoka was actually hit at 180 m.p.h. Cars and other light vehicles were blown about at the height of the hurricane and flying roofing and falling trees added to the terror of the hours. Torrential rain caused massive flooding.

Damage ran into some millions of dollars. The picture shows a hangar at Nausori Airport. Flood waters had dropped some three feet at the time.